

**Moore & Van Allen**

September 15, 2008

**VIA ELECTRONIC FILING**

Mr. Charles Terreni  
Chief Clerk Administrator  
The Public Service Commission of South Carolina  
Synergy Business Park  
101 Executive Center Drive  
Columbia, South Carolina 29210

**Scott M. Tyler**  
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Suite 4700  
100 North Tryon Street  
Charlotte, NC 28202-4003

Also Admitted in SC

Re: GCRM-124, Docket No. 2006-401-G

Dear Mr. Terreni:

On behalf of Piedmont Natural Gas Company, Inc. ("Piedmont"), I have enclosed various schedules constituting Piedmont's GCRM-124.

The rate changes reflected in this filing, as shown on the attached schedules, are necessary to update Piedmont's rates to reflect changes in Piedmont's wholesale costs of gas. Wholesale futures contract prices for natural gas deliveries for the remainder of 2008, as reflected on the New York Mercantile Exchange, are currently at levels well below the \$11.50 commodity cost of gas reflected in Piedmont's rates. Based on this differential, Piedmont is at substantial risk of a serious overcollection of its wholesale gas costs in the near future if the benchmark cost of gas reflected in its rates is not decreased to \$8.75 per dekatherm as proposed herein. The relief requested herein will avoid such overcollection and will also ensure that the wholesale gas costs reflected in Piedmont's rates are reasonably consistent with the prevailing market price for natural gas, thereby avoiding the creation of artificial market signals/incentives to parties who utilize this commodity for fuel or process purposes. The rate change proposed herein is a decrease of \$0.28094/therm for sales rate schedules (201, 202, 221, 232, 242, 252, 262, 203 and 204) and a decrease of \$0.00594/therm for transportation rate schedules (213 and 214). Piedmont hereby requests approval of this GCRM filing in time to implement these rate changes effective with the first billing cycle in October, 2008.

If you have any questions regarding this matter, you may reach me at the number shown above.

Sincerely,

Moore & Van Allen, PLLC

s/ Scott M. Tyler  
Scott M. Tyler

Enclosures

c: Mr. David Carpenter  
Mr. Jim Jeffries  
Office of Regulatory Staff (via email and 5 copies via overnight delivery)

Research Triangle, NC  
Charleston, SC

**SOUTH CAROLINA RATES AND CHARGES**

**Residential**

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**Residential Service - Value Rate 201**

Monthly Charge -		Rate Per Therm -	
November - March	\$ 10.00	November - March	\$ 1.33104
April - October	\$ 8.00	April - October	\$ 1.28259

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**Residential Service - Standard Rate 221**

Monthly Charge -		Rate Per Therm -	
November - March	\$ 10.00	November - March	\$ 1.52490
April - October	\$ 8.00	April - October	\$ 1.51909

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**Outdoor Gaslight Service - Rate 205**

Monthly Charge -	\$ 15.00
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## SOUTH CAROLINA RATES AND CHARGES

## Commercial

**Small General Service - Standard Rate 202**

Monthly Charge -	\$ 22.00	Rate Per Therm -		
		November - March		\$ 1.42802
		April - October		\$ 1.39298

**Small General Service - Value Rate 232**

Monthly Charge -	\$ 22.00	Rate Per Therm -		
		November - March	First 2,000	\$ 1.36946
			Over 2,000	\$ 1.33990
		April - October	First 2,000	\$ 1.27310
			Over 2,000	\$ 1.24607

**Medium General Service - Standard Rate 252**

Monthly Charge -	\$ 75.00	Rate Per Therm -		
		November - March		\$ 1.41729
		April - October		\$ 1.36770

**Medium General Service - Value Rate 262**

Monthly Charge -	\$ 75.00	Rate Per Therm -		
		November - March	First 5,000	\$ 1.33887
			Over 5,000	\$ 1.30392
		April - October	First 5,000	\$ 1.24403
			Over 5,000	\$ 1.21939

**Small General Service - Motor Fuel Rate 242**

Monthly Charge -	\$ 22.00	Rate Per Therm -		
		November - March		\$ 1.11403
		April - October		\$ 1.12142

## SOUTH CAROLINA RATES AND CHARGES

## Industrial

**Large General Sales Service - Rate 203**

Monthly Charge -		\$	250.00
Demand Charge (monthly per peak day therm usage) -		\$	1.90000
Rate Per Therm -			
	<u>November - March</u>		<u>April - October</u>
First 15,000	\$ 1.15233	First 15,000	\$ 1.06470
Next 15,000	\$ 1.08278	Next 15,000	\$ 1.01627
Next 75,000	\$ 1.03497	Next 75,000	\$ 0.99861
Next 165,000	\$ 0.97779	Next 165,000	\$ 0.95922
Next 330,000	\$ 0.92247	Next 330,000	\$ 0.91747
Over 600,000	\$ 0.89390	Over 600,000	\$ 0.89390

**Interruptible Sales Service - Rate 204**

Monthly Charge -		\$	250.00
Rate Per Therm -			
	<u>November - March</u>		<u>April - October</u>
First 15,000	\$ 1.21531	First 15,000	\$ 1.07632
Next 15,000	\$ 1.14707	Next 15,000	\$ 1.02842
Next 75,000	\$ 1.10300	Next 75,000	\$ 0.99972
Next 165,000	\$ 1.03084	Next 165,000	\$ 0.96913
Next 330,000	\$ 1.02091	Next 330,000	\$ 0.93247
Over 600,000	\$ 0.93390	Over 600,000	\$ 0.90390

**Large General Transportation Service - Rate 213**

Monthly Charge -		\$	250.00
Demand Charge (monthly per peak day therm usage) -		\$	0.60000
Standby Sales Service Charge (monthly per peak day therm usage) -		\$	1.30000
Rate Per Therm -			
	<u>November - March</u>		<u>April - October</u>
First 15,000	\$ 0.25683	First 15,000	\$ 0.18428
Next 15,000	\$ 0.19057	Next 15,000	\$ 0.13641
Next 75,000	\$ 0.14360	Next 75,000	\$ 0.10829
Next 165,000	\$ 0.10279	Next 165,000	\$ 0.08146
Next 330,000	\$ 0.04747	Next 330,000	\$ 0.04247
Over 600,000	\$ 0.01890	Over 600,000	\$ 0.01890

**Interruptible Transportation Service - Rate 214**

Monthly Charge -		\$	250.00
Rate Per Therm -			
	<u>November - March</u>		<u>April - October</u>
First 15,000	\$ 0.25670	First 15,000	\$ 0.18393
Next 15,000	\$ 0.19038	Next 15,000	\$ 0.13586
Next 75,000	\$ 0.14270	Next 75,000	\$ 0.10651
Next 165,000	\$ 0.09501	Next 165,000	\$ 0.07694
Next 330,000	\$ 0.04794	Next 330,000	\$ 0.06282
Over 600,000	\$ 0.01890	Over 600,000	\$ 0.01890

**SOUTH CAROLINA RATES AND CHARGES**

**Miscellaneous Fees And Charges**

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**Schedule For Limiting And Curtailing Service - Rate 206**

Emergency Service Rate Per Therm	\$ 1.00	In addition to commodity prices as defined in Rate Schedule 206, Rate For Emergency Service.
Unauthorized Over Run Penalty Per Therm	\$ 2.50	In addition to commodity prices as defined in Rate Schedule 206, Rate For Emergency Service.

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**Reconnect Fees**

February Through August	\$ 40.00
September Through January	\$ 60.00

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**Returned Check Charge**

Returned Check Charge	\$ 25.00
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Issued by Tom Skains, CEO & President  
Issued to comply with the authority granted by  
The Public Service Commission of South Carolina  
GCRM-124

Issued: September 15, 2008  
Effective: October 1, 2008

Piedmont Natural Gas Company, Inc.  
South Carolina  
Rate Schedules  
GCRM - 124

		6/1/2008 GCRM-123 <u>Rates</u>	<u>Change</u>	10/1/2008 GCRM-124 <u>Rates</u>
221	Residential Service - Standard			
	Facilities Charge-winter	10.00		10.00
	Facilities Charge-summer	8.00		8.00
	Winter (Nov.-Mar.)	1.80584	(0.28094)	1.52490
	Summer (Apr.-Oct.)	1.80003	(0.28094)	1.51909
201	Residential Service - Value			
	Facilities Charge-winter	10.00		10.00
	Facilities Charge-summer	8.00		8.00
	Winter (Nov.-Mar.)	1.61198	(0.28094)	1.33104
	Summer (Apr.-Oct.)	1.56353	(0.28094)	1.28259
202	Small General Service-Standard			
	Facilities Charge	22.00		22.00
	Winter (Nov.-Mar.)	1.70896	(0.28094)	1.42802
	Summer (Apr.-Oct.)	1.67392	(0.28094)	1.39298
232	Small General Service-Value			
	Facilities Charge	22.00		22.00
	Winter (Nov.-Mar.)			
	First 2,000	1.65040	(0.28094)	1.36946
	Over 2,000	1.62084	(0.28094)	1.33990
	Summer (Apr.-Oct.)			
	First 2,000	1.55404	(0.28094)	1.27310
	Over 2,000	1.52701	(0.28094)	1.24607
252	Medium General Service-Standard			
	Facilities Charge	75.00		75.00
	Winter (Nov.-Mar.)	1.69823	(0.28094)	1.41729
	Summer (Apr.-Oct.)	1.64864	(0.28094)	1.36770
262	Medium General Service-Value			
	Facilities Charge	75.00		75.00
	Winter (Nov.-Mar.)			
	First 5,000	1.61981	(0.28094)	1.33887
	Over 5,000	1.58486	(0.28094)	1.30392
	Summer (Apr.-Oct.)			
	First 5,000	1.52497	(0.28094)	1.24403
	Over 5,000	1.50033	(0.28094)	1.21939
242	Small General Service-Motor Fuel			
	Facilities Charge	22.00		22.00
	Winter (Nov.-Mar.)	1.39497	(0.28094)	1.11403
	Summer (Apr.-Oct.)	1.40236	(0.28094)	1.12142

Piedmont Natural Gas Company, Inc.  
South Carolina  
Rate Schedules  
GCRM - 124

		6/1/2008 GCRM-123 <u>Rates</u>	<u>Change</u>	10/1/2008 GCRM-124 <u>Rates</u>
203	Large General Sales Service			
	Facilities Charge	250.00		250.00
	Billing Demand	1.90000		1.90000
	Winter (Nov.-Mar.)			
	First 15,000	1.43327	(0.28094)	1.15233
	Next 15,000	1.36372	(0.28094)	1.08278
	Next 75,000	1.31591	(0.28094)	1.03497
	Next 165,000	1.25873	(0.28094)	0.97779
	Next 330,000	1.20341	(0.28094)	0.92247
	Over 600,000	1.17484	(0.28094)	0.89390
	Summer (Apr.-Oct.)			
	First 15,000	1.34564	(0.28094)	1.06470
	Next 15,000	1.29721	(0.28094)	1.01627
	Next 75,000	1.27955	(0.28094)	0.99861
	Next 165,000	1.24016	(0.28094)	0.95922
	Next 330,000	1.19841	(0.28094)	0.91747
	Over 600,000	1.17484	(0.28094)	0.89390
204	Interruptible Sales Service			
	Facilities Charge	250.00		250.00
	Winter (Nov.-Mar.)			
	First 15,000	1.49625	(0.28094)	1.21531
	Next 15,000	1.42801	(0.28094)	1.14707
	Next 75,000	1.38394	(0.28094)	1.10300
	Next 165,000	1.31178	(0.28094)	1.03084
	Next 330,000	1.30185	(0.28094)	1.02091
	Over 600,000	1.21484	(0.28094)	0.93390
	Summer (Apr.-Oct.)			
	First 15,000	1.35726	(0.28094)	1.07632
	Next 15,000	1.30936	(0.28094)	1.02842
	Next 75,000	1.28066	(0.28094)	0.99972
	Next 165,000	1.25007	(0.28094)	0.96913
	Next 330,000	1.21341	(0.28094)	0.93247
	Over 600,000	1.18484	(0.28094)	0.90390

Piedmont Natural Gas Company, Inc.  
South Carolina  
Rate Schedules  
GCRM - 124

		6/1/2008 GCRM-123 <u>Rates</u>	<u>Change</u>	10/1/2008 GCRM-124 <u>Rates</u>
213	Large General Transportation Service			
	Facilities Charge	250.00		250.00
	Standby Demand	1.30000		1.30000
	Billing Demand	0.60000		0.60000
	Winter (Nov.-Mar.)			
	First 15,000	0.26277	(0.00594)	0.25683
	Next 15,000	0.19651	(0.00594)	0.19057
	Next 75,000	0.14954	(0.00594)	0.14360
	Next 165,000	0.10873	(0.00594)	0.10279
	Next 330,000	0.05341	(0.00594)	0.04747
	Over 600,000	0.02484	(0.00594)	0.01890
	Summer (Apr.-Oct.)			
	First 15,000	0.19022	(0.00594)	0.18428
	Next 15,000	0.14235	(0.00594)	0.13641
	Next 75,000	0.11423	(0.00594)	0.10829
	Next 165,000	0.08740	(0.00594)	0.08146
	Next 330,000	0.04841	(0.00594)	0.04247
	Over 600,000	0.02484	(0.00594)	0.01890
214	Interruptible Transportation Service			
	Facilities Charge	250.00		250.00
	Winter (Nov.-Mar.)			
	First 15,000	0.26264	(0.00594)	0.25670
	Next 15,000	0.19632	(0.00594)	0.19038
	Next 75,000	0.14864	(0.00594)	0.14270
	Next 165,000	0.10095	(0.00594)	0.09501
	Next 330,000	0.05388	(0.00594)	0.04794
	Over 600,000	0.02484	(0.00594)	0.01890
	Summer (Apr.-Oct.)			
	First 15,000	0.18987	(0.00594)	0.18393
	Next 15,000	0.14180	(0.00594)	0.13586
	Next 75,000	0.11245	(0.00594)	0.10651
	Next 165,000	0.08288	(0.00594)	0.07694
	Next 330,000	0.06876	(0.00594)	0.06282
	Over 600,000	0.02484	(0.00594)	0.01890



Piedmont Natural Gas Company  
South Carolina  
Commodity Cost of Gas Calculation

	Docket 2005-125-G <u>DT's</u>	Increase (Decrease) <u>in Rate</u>	<u>Total</u>
Sales	14,621,772	\$ (2.75)	\$ (40,209,872)
Transportation	5,788,888		
Total Throughput	20,410,660		
LAUF %	2.16%		
Company Use & Lost And Unacct For	440,870	\$ (2.75)	\$ (1,212,393)
Total Throughput			20,410,660
Calculated Rate - LAUF			\$ (0.0594)
Sales Commodity Rate Adjustment(by DT)			\$ (2.8094)
Transportation Commodity Rate Adjustment(by DT)			\$ (0.0594)
Effective Benchmark			\$ 8.75